

Message Text

UNCLASSIFIED

PAGE 01 THE HA 02269 271214Z

64

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 L-03 PA-02 PRS-01 /074 W

----- 006050

R 271002Z APR 76

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 8036

INFO US MISSION OECD PARIS 5815

US MISSION USUN 1163

UNCLAS THE HAGUE 2269

DEPARTMENT PASS OPIC

E.O. 11652: N/A

TAGS: EIVN, NL

SUBJECT: DUTCH GOVERNMENT TO INCREASE SHARE IN FINANCING COMPANY
FOR DEVELOPING COUNTRIES (FMO)

1. EARLY THIS MONTH FINANCE MINISTER DUISENBERG AND DEVELOPMENT AID MINISTER PRONK JOINTLY SUBMITTED A DRAFT BILL TO PARLIAMENT PROVIDING FOR INCREASED GOVERNMENT SHARE IN FMO AUTHORIZED CAPITAL FROM 50 PERCENT TO 51 PERCENT (AT EXPENSE OF TRADE AND INDUSTRY SHARE WHICH DROPPED TO 49 PERCENT), A CHANGE OF FMO'S SET-UP AND STRUCTURE AND A SIGNIFICANT EXTENSION OF THE COMPANY'S TASKS.

2. THE DRAFT BILL RESULTS FROM GOVERNMENT'S DISCONTENT WITH FMO ACTIVITIES WHICH NO LONGER TAKE SUFFICIENT ACCOUNT OF THE INTERESTS OF DEVELOPING COUNTRIES AND DEVELOPMENT AID POLICY PURSUED BY THE GOVERNMENT AND FACT THAT FINANCING OF FMO TAKES PLACE ENTIRELY THROUGH GOVERNMENT FINANCING AND STATE GUARANTEED LOANS.

3. CHANGED FMO OBJECTIVES WILL FOCUS ON CONTRIBUTION TO EXPANSION OF BUSINESS LIFE IN DEVELOPING COUNTRIES

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 THE HA 02269 271214Z

IN THE INTEREST OF THEIR ECONOMIC AND SOCIAL PROGRESS

IN ACCORDANCE WITH THE INTENTIONS OF LOCAL AUTHORITIES
AND GON AID POLICY AND AIMED AT LDC'S GREATEST POSSIBLE
SELF-RELIANCE.

4. FORMER FMO CONDITIONS LIMITING SUPPORT TO PROJECTS
RESPRESENTING SUBSTANTIAL DUTCH INTERESTS WILL BE
DROPPED, OPENING POSSIBILITIES FOR FINANCING OF FULLY
LOCAL PROJECTS OR JOINT VENTURES WITH OTHER FOREIGN
COMPANIES. FMO WILL FURTHERMORE SUPPORT, WHERE POS-
SIBLE, ESTABLISHMENT OF A MORE JUSTIFIED INTERNATIONAL
DIVISION OF LABOR, PARTICIPATE IN THE LOCAL GOVERNMENT'S
ECONOMIC RESTRUCTURING POLICY AND SUPPORT PROJECTS IN
COUNTRIES SUPPLYING FOREIGN WORKERS TO EUROPE. NEW
AGREEMENTS ALSO PROVIDE FOR FMO FINANCING OF NON-PROFIT
PROJECTS, E.G. SERVICE SECTORS, AND FOR SUBSIDY ELEMENT
IN RELENDING OF FUNDS RAISED ON DUTCH CAPITAL MARKET.

5. COMMENT: ONE STEP LEFT. THE GOVERNMENT IS BRING-
ING FMO'S FORMERLY BUSINESS-ORIENTED OPERATIONS MORE INTO
LINE WITH DEVELOPMENT MINISTER PRONK'S MORE SOCIALIST
IDEALS.
GOULD

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FINANCE, INVESTMENTS, FINANCIAL CONTRIBUTIONS, INDUSTRIALIZED NATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976THEHA02269
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760160-0392
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760416/aaaaanol.tel
Line Count: 83
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 02 SEP 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 SEP 2004 by cookms>; APPROVED <08 DEC 2004 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DUTCH GOVERNMENT TO INCREASE SHARE IN FINANCING COMPANY FOR DEVELOPING COUNTRIES (FMO)
TAGS: EINV, NL
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006